Projection of fiscal deficit

1724. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government have projected that current fiscal deficit would continue to be at 5.3 per cent of GDP or Rs. 135,524 crore as compared to 2001-2002 when the deficit was Rs. 131,721 crore being 5.7 per cent of GDP;

(b) whether in absolute terms, the projected deficit is Rs. 4,803 crore more than the revised estimates for the current fiscal;

(c) if so, what are the main reasons for the fiscal deficit front to remain grim; and

(d) what steps Government have taken to raise/bridge the wide gap between resources mobilised and its bludgeoning expenditure during 2002-2003?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) As per the Budget 2002-03, the fiscal deficit of the Central Government during 2002-03 (Budget estimates) is Rs. 1,35,524 crore constituting 5.3 per cent of GDP compared with Rs. 1,31,721 crore in 2001-02 (revised estimates) constituting 5.7 per cent of GDP. The fiscal deficit for 2002-03 (budget estimates) is Rs. 3.803 crore more than for 2001-02 (revised estimates).

(c) and (d) Inadequate fiscal adjustment has remained the most intractable problem owing to a combination of factors which among others include increasing interest payments, subsidies etc. The Budget for 2002-03 seeks to contain non-productive expenditure and make substantive improvements in tax machinery so that revenue collections show higher buoyance in coming years. Besides, the Budget has emphasised reduction in subsidies to a minimum over the next 3 to 5 years. To this end, the Budget has proposed a modest increase in the issue price of urea, DAP and MOP fertilizer by about 5 per cent and reduction in subsidy for SSP by Rs. 50 per tonne; increase in the retail price of sugar; making pricing of petroleum products market determined to

facilitate phasing out subsidies on petroleum products; and a modest increase in the postal rates in view of the rising cost of postal services.

VRS in all Union Ministries

1725. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Expenditure Reforms Commission has favoured the introduction of Voluntary. Retirement Scheme (VRS) in virtually all Union Ministries;

(b) whether Government have decided "to take up for consideration VRS for Central Ministries" as reported in the Hindustan Times dated 5th February, 2002;

(c) if so, the Ministries/Departments which likely to be covered under VRS indicating names Ministry-wise, Department-wise strength-wise/amount-wise reduction in the each case, if implemented; and

(d) the reaction of the Central Government Employees Trade Unions to such plans of VRS?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The Expenditure Reforms Commission, while recommending optimization of Government staff strength had suggested a liberal Voluntary Retirement Scheme for the employees declared surplus. In pursuance thereof, the Central Government have introduced a Special Voluntary Retirement Scheme for Surplus Central Government Employees on 28.2.2002.

(c) Identification of surplus employees for the purpose of VRS is to be done by the individual Ministries/Departments as per the prescribed procedure. In order to keep a close watch on the implementation of the scheme, all Ministries/Departments have been instructed to submit quarterly returns to the Surplus Cell of Department of Personnel and Training.